SSCC
Software Seed Capital Corporation

For Immediate Release:

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ADAM OSBORNE'S NEW VENTURE

PAPERBACK SOFTWARE INTERNATIONAL

March 23,1984--San Francisco,CA-- Adam Osborne announced his new venture today, Paperback Software International (PSI) at the West Coast Computer Faire. Formerly called Software Seed Capital Corporation (SSCC), the name was changed to more accurately represent the company. The new company is taking an innovative approach to financing software companies and publishing their software products. For emerging software companies, PSI provides the financial, marketing, and administrative resources to help them achieve commercial success.

Paperback Software International has developed a hybrid approach to software marketing, similar to Original Software Companies in their commitment to individual products, but with the publisher's advantage of the breadth of line and distribution advantages, PSI will have the best elements of both worlds. Insulated against individual product failures, with marketing exclusivity, and no software development costs to load into the

retail price, PSI will gain deep penetration into a broad base of consumer distribution outlets.

The product marketing philosophy has been engineered from both the consumer and the retailers' standpoint to maximize the product utility. Economies of scale, which are available to PSI, in manufacturing, distribution, and advertising, allow a competitive advantage to be gained from a price perspective. The added value of the consumer packaging concept also gives strength to the market penetration from a distribution viewpoint.

PSI plans to merchandise the software through a broad range of distribution channels, using innovative packaging , at a very low cost. The initial sales will be through book shops, office equipment supply stores , selected computer stores, and other retail outlets capable of selling books or records. Both B.Daltons and Waldenbooks expressed interest in the PSI marketing plans, and have agreed to carry the line pending product evaluations.

Dealers of consumer goods will not be expected to provide specially trained sales staff or to use unique merchandising techniques in order to sell the PSI software product line. PSI believes that the retailer's job should be limited to stocking and selling product. PSI's plans include means of supporting customers without requiring retailers to have software expertise.

THE MARKET AND PSI's ANSWER

THE MARKET

The software industry is in a state of major upheaval. Fundamental principals in all areas of the software market are undergoing significant reorganization, and the resulting windows of opportunity will provide any well timed competitor with an edge on the future. The changes in this industry are being driven by two developments in the hardware industry. The first of these as outlined in Business Week ," computers are becoming remarkably similar - in many cases they are turning into off-the-shelf, commodity products " *1, highlights the fact that more and more microcomputers are moving into the hands of first time users. These off-the-shelf systems are fueling the " demand from customers for packaged software that will let them apply computer power to a broad range of new tasks" *2 . Secondly, the entry of I.B.M. into the micro market has given the industry the corporate presence of a world leader known for service and quality. These two events have brought the acceptance and use of microcomputers into the "facts of life" for the majority of consumers.

To accurately picture the ramifications of this change in software market, it is useful to visualize a "before" and "after" framework for looking at the industry. The changing marketplace presents a new scenario of pitfalls and opportunities for the software vendor. The time frame of 1984-1985 will prove to be a critical junction in the progress of this field.

Market	Past	Future
Hardware	: No standards	: I.B.M.
S/W Vendors	: Independent	: Corporate
Customers	: Literate	: Novice
Products	: Narrow Line	: Broad
Pricing	: High Price/Low volume	: Low Price/High Volume
Distribution	: Specialty stores	: Mass markets
Packaging	: Ill conceived	: Consumer driven

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*1) and *2) Business Week, February 27,1984, "Software:The New Driving Force", page 74.

PSI's ANSWER

Market	: 1984-1985
Hardware	: Supporting Largest Installed Base
S/W Vendor	: Consolidating Small Vendors into Corporate
Customers	: Meeting critical need for Information
Products	: Broad Line targeting Personal application
Pricing	: Low cost without burden of development
Distribution	: Established major consumer outlets
Packaging	: Accessible, recognizable format

The first microcomputer programs were generally sold by experts to a sophisticated customer who had a well defined problem, programming knowledge, hardware expertise, and who was searching for a solution to a specific need. There were many different machines , and few competitors in the marketplace for software. The programs were limited in availability, applicability, and ease of use. Due to the small number of customers, the prices for software were maintained at a very high level. As the number of microcomputers increased, the number of available software packages has also increased. Software products have now begun the descent into the lower end of the consumer marketing model. The issues of ease of use, availability, breadth of line, product information, and low price will become critical in penetrating the mass market. The majority of the future software consumers will not have extensive product knowledge, or system expertise. The market opportunity will exist for those companies which can provide inexpensive software, which is easy to use, through the broadest consumer distribution channels. Product information will have to be available in a format which allows the customer to complete the purchase cycle in a simple and timely fashion without the aid of trained sales personnel. This market opportunity is the target for Paperback Software International.

PSI's MANAGEMENT TEAM

EXECUTIVE OFFICERS AND DIRECTORS

Name	Age	Position
Adam Osborne	45	Chairman Chief Executive Officer
Robert Mistron	46	Director Chief Operating Officer
Georgette Psaris	28	Director Executive Vice President
Robert J. Lydon	46	Director
Barbara A.Burdick	27	Public Relations Officer Secretary
Roger Gottlieb	37	Director of Publications
Michael K.Burdick	32	Manager of Retail Sales
Steven Cook	24	Software Acquisitions

ADAM OSBORNE is the founder of PSI and was the founder and Chairman of Osborne Computer Corporation. Prior to founding Osborne Computer Corporation in 1981, Mr. Osborne published books on microcomputers through Osborne & Associates. Osborne & Associates was sold to McGraw-Hill in 1979. His name is associated with computer books on a world wide basis . Mr. Osborne holds a Bachelor of Science degree in Chemical Engineering from the University of Birmingham (Great Britain), and a PhD. in Chemical Engineering from the University of Delaware. As C.E.O. of Paperback Software International, Mr. Osborne will provide the overall company direction and vision. His creative background in publishing and marketing will provide the basis for this input. Mr. Osborne will also be directly involved in maintaining a high profile for the new company through speaking engagements and press interviews.

ROBERT MISTRON held a number of executive positions with the Max Factor company during the last seven years, most recently as the Chief Operating Officer of the Max Factor United Kingdom Group. Mr.Mistron holds a Masters Degree in Industrial Engineering from New York University and an M.B.A. from Pepperdine University. Mr.Mistron will be the central director of daily operations. He will be directly responsible for the overall performance of PSI.

GEORGETTE PSARIS was Vice President of Sales and Marketing at Osborne Computer Corporation from 1981 through 1983. From 1978 until 1979, Ms.Psaris was employed be Osborne & Associates as Director of Sales and Marketing. After Osborne McGraw-Hill was formed by the purchase of Osborne & Associates by McGraw-Hill in

1979, Ms.Psaris was employed as Director of Marketing, Sales and Order Fullfillment. Ms.Psaris holds a Bachelor of Science degree in Foreign Service from Georgetown University. Ms.Psaris will define and implement the marketing and sales strategy in coherence with the overall plans for PSI.

ROBERT J. LYDON is the Publisher of Personal Computing Magazine and Personal Software Magazine. He was Executive Vice President for Regis McKenna,Inc., a leading high technology advertising and public relations firm . Previously he was Vice President of Marketing for Wyle Distribution, an electronic parts distributor in Los Angeles. Mr.Lydon holds a Bachelor's Degree in Electrical Engineering from Seattle University, and a Master's Degree in Business Administration from Northwestern. As one of the Directors of PSI, Mr.Lydon will assist the board in creating the direction and overall scope of the company's objectives.

BARBARA A. BURDICK was Director of Public Relations for Osborne Computer Corporation from 1981 to 1982, and was General Manager for TNW Corporation from 1979 to 1981. Ms.Burdick holds a Bachelor of Sciences degree in Business Administration from the University of Colorado at Boulder. PSI will be represented to the media by Ms.Burdick.

ROGER GOTTLIEB was Publication Manager for the Software Division of Dysan and Manager of Documentation for Osborne Computer Corporation prior to joining PSI. Mr.Gottlieb served as Production Manager for Sybex and as Technical Publications Supervisor for the Bechtel Corporation. Mr.Gottlieb will design, schedule, and produce all of the product documentation for PSI's software.

MICHAEL K.BURDICK was Product Development Manager and District Operations Manager for Online Microcenters prior to joining PSI. Mr.Burdick has also served as District Retail Manager for twelve Consumer Distributing catalog stores in California and as District Manager for the Southern Region of California for K-Mart Corporation. Mr.Burdick holds a Bachelor of Science degree in Business Administration from Arizona State University . Mr.Burdick will implement the sales strategy for the major mass retail distribution channels.

STEVEN COOK has worked as a consultant on the design and installation of microcomputer software systems for several years. From 1982 to 1983 Mr.Cook was Technical Editor for PC World magazine. and from 1979 to 1982 was Editorial Programmer for Osborne/McGraw-Hill, Inc. where he co-authored several computer user-guides including the Business System Buyers Guide. Mr.Cook will be responsible for the software acquisition cycle, from initial contact and evaluation through acceptance of the product into the PSI line.